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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

American Embassy,
Mexico, D. F.,
February 14, 1961.

OFFICIAL-INFORMAL
SECRET

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Dear Tom:

We have been giving some careful thought to what the best method may be of handling our relations with Mexico in the present context of the change of Administration. As indicated in our cable 2048, we do not think that an early Presidential visit would be recommendable. Even though high level decisions may have already been reached, I think you should have the basis of our recommendation, as promised in the cable, and it is set forth in the attached memorandum.

I hope that our thinking here will be understood as aimed at constructive steps and that whatever final action results, we will be able to bring to the attention of yourself and your advisers the basis of the Embassy's thinking. Sending these thoughts in the form of a memorandum, rather than despatch, is intended to limit distribution and to avoid any controversial interpretation.

Sincerely yours,

Ed

Edward G. Cale
Chargé d'Affaires ad interim

Enclosure:

Memorandum (2 copies) (see the MHA/AV)

The Honorable
Thomas C. Mann,
Assistant Secretary of State
for Inter-American Affairs,
Department of State,
Washington, D. C.

611.12.12-2-11/61

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THE TACTICAL HANDLING OF RELATIONS WITH MEXICO

PROBLEM

What are the tactics most likely to produce more effective results in obtaining Mexico's acceptance and support of United States positions in 1961?

BACKGROUND

Relations between the United States and Mexico in the twentieth century have been, on the whole, unsatisfactory from the American point of view. This is due principally to the effects of the Mexican Revolution (1910-17), with its anti-foreign, nationalistic and socialistic objectives bound to clash with many legitimate American interests. The conflicts and quarrels which marred relations almost continuously until 1940 were considerably alleviated under the extraordinary circumstances of the war years 1941-46. A sustained and conscientious effort on the part of the United States, in the period 1947-60, brought some further improvement and closer understanding, without, however, removing many of the principal points of disagreement and divergence. In net result, the United States cannot count on Mexico's support in facing the major problems posed by Soviet-Communist expansion; in its bilateral relations, the over-all score does not amount to an accord mutually acceptable and satisfying.

The United States effort to win Mexican friendship and support has been evidenced from the top levels of Government. Presidential visits are an outstanding example: President Miguel Alemán was invited to Washington in 1947, and his visit was reciprocated by President Truman in 1948; President Ruiz Cortines was the guest of President Eisenhower at the Falcon Dam in 1953, White Sulphur Springs in March, 1956, and the Panama Presidential Conference in July 1956. One week before his inauguration, President-elect López Mateos was visited by Senate Majority Leader Lyndon Johnson, in November, 1958, and President Eisenhower visited President Adolfo López Mateos at Acapulco in February, 1959 (less than three months after the Mexican President's inauguration) and was honored by the Mexican President's visit to the United States in October of the same year. Then, as a final gesture of friendship, President Eisenhower visited President López Mateos at the site of the new Amistad Dam on the Rio Grande, late in October, 1960.

Throughout this 13 year period, Mexico's economic needs have received most considerate attention from the United States Government. The record of loans and credits from United States Government agencies has left Mexico with no complaint, with the exception of the single area of petroleum development through the nationalized oil company PEMEX. Even in the latter instance, substantial private credits to specific PEMEX operations have contributed to the continued expansion of the Government's oil monopoly.

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- 2 -

Mexico's complaints on United States trade policies, such as restrictions on minerals imports, have been dealt with most courteously and carefully, and special endeavors made to accommodate Mexico's needs, even at some sacrifice of our own. Mexico has been consulted on sales of U.S. surplus agricultural commodities, particularly cotton, in order not to disturb the rate of Mexico's own export sales. The benefits of the GATT have been extended to Mexico, even though Mexico is not a member, and by its own action terminated the bilateral trade agreement with the U.S. in 1949. American tourist trade to Mexico has received positive U.S. Government encouragement; Mexican history and culture, the advantages of investment, attractions of travel and residence in Mexico have been generously reported in the United States, with the direct cooperation and approval of our Government. Mexico's modest military requirements have been given maximum accommodation by our Department of Defense in terms of acquisitions and credits. A U.S. technical assistance program has been maintained in Mexico, its moderate size being influenced mainly by the wishes of the Mexican Government.

In international organizations, Mexico has been given special attention by the United States Delegations, in a general effort to gain for Mexico the recognition greatly desired. As typical examples, Ambassador Luis Padilla Nervo has had the backing of the United States for the various U.N. positions obtained by him, such as Chairman of the Disarmament Commission; Ambassador Sanchez Gavito has been elected President of the Council of the Organization of American States.

A ROUGH CHECK-LIST OF RECIPROCITY

Under specific areas of relations, the following must be noted:

(1) High Level Contacts: Deliberately and frequently sought by the United States, these have been treated with coyness by Mexico, usually deferred or delayed, and finally entered upon with a lack of spontaneity indicative of the absence of genuine interest. While creating a better public climate for official relations, their tangible results are very limited. The record of four direct meetings with President López Mateos (one with Senator Lyndon Johnson, three with President Eisenhower) proves conclusively that the Mexican Chief Executive is noncommittal (at times to the point of silence) and unresponsive in discussions of substantive matters of prime importance to the United States in its foreign relations. In his speech to the Nation on return from the United States in October, 1959, he made no reference to President Eisenhower, assured that no secret agreements had been reached, and proudly proclaimed he returned home with the Presidential sash covering his breast "unstained."

(2) Defense and Security Areas: The United States has offered the whole gamut of military cooperation to Mexico, which in response has only purchased. . .

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mt 3

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- 3 -

purchased relatively minor amounts of arms and military equipment. There are no United States military training missions of any kind in Mexico; no military assistance agreement; very limited (however, increasing) training of Mexican officers in the United States; and a complete absence of mutual defense arrangements. Even an Air Defense Intercept Zone (ADIZ) over a contiguous strip of Mexican territory, to protect our SAC bases and vital industrial areas in the south and southwest, has been effectively refused since 1954. Thus, while the United States spends billions for the complex series of defense bases and warning systems around the globe, its own "soft underbelly" lies completely exposed by the absence of any mutual defense arrangements in Mexico. The capabilities of the Mexican armed forces to play a responsible role in continental defense, under plans of the Inter-American Defense Board, are highly questionable. The Joint United States-Mexican Defense Commission is dormant, having held no working meeting for three years.

(3) Economic Cooperation: United States accommodation of Mexico's credit requirements has indeed been reciprocated by an excellent repayment record on Mexico's part; likewise, Mexican requests have been regarded as reasonable; Mexico in turn has handled its finances on a basis which has helped to stabilize its currency and resist the world-wide trend to inflation. But the fact that we have not generally linked our aid to our over-all objectives, surprises the astute Mexicans and gains us neither friendship nor respect.

At the same time, based chiefly on developments and political statements in Mexico in the latter half of 1960, there is growing concern among United States investors regarding the security of their position and there has been a certain slow-down in new credits and investments. Government acquisition of the electric power and movie industries has widened previous Government ownership in transportation, petroleum and other enterprises. Extra-legal pressures are being brought to bear on many new American companies to provide for Mexican control of the companies.

Problems faced by the principal American automobile companies, long established in Mexico, has raised with their managers doubts over their position in Mexico. A strongly nationalistic mining law, just published, requires Mexican control of mining companies if they are to receive much-needed reduction of taxes. Some Mexican businessmen who are friendly to the United States complain that our loans to state enterprises and our private credits which are used to finance the nationalization of Mexican industry are helping to undermine all private industry in Mexico. Top Government circles appear recently to have become aware of the reaction abroad (adversely affecting the attractive rating which Mexico enjoyed in international investment circles for more than a decade), to its policies and actions, referred to above, in the latter part of 1960. As a counteraction, the Administration within the last month has declared itself as recognizing the importance of, and its friendliness toward, private business. Nevertheless, the outlook is clouded and actions rather than words are needed if Mexico is to demonstrate its friendliness to private enterprise.

(4) International. . .

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- 4 -

(4) International Relations: In spite of its extraordinary efforts to win Mexico's confidence and support, the United States can count on neither in international organizations. In August, 1960, Mexico's Foreign Minister so worked against the United States at the two Meetings of Foreign Ministers of the American Republics at San José, Costa Rica, that Secretary Herter felt obliged to make vocal mention of Mexico's opposition to our objectives in handling the Cuban problem.

Barely perceptible is any change in Mexico's stubborn view of Castro as "a U.S.-Cuban quarrel;" the facts of Communist penetration, and Sino-Soviet threat to the Hemisphere, have been blindly ignored. Mexico keeps a pro-Castro leftist as its Ambassador in Habana, where great stock is made of Mexican support. Only in December, 1960, in a widely publicized ceremony, the Mexican Government made a gift of a complete school to Castro's regime; at the same time, school rooms are lacking for almost 40% of Mexico's own children, and funds for school maintenance are so lacking that the Government has to appeal to private organizations to undertake repairs. Castro's Communist Ambassador to Mexico is cordially received by the Government, and President López Mateos himself went out of his way to converse very cordially with him and the Soviet Ambassador at the New Year's Reception to the Diplomatic Corps, an attention extended to no other Chief of Mission.

In the United Nations, Mexico continues to adhere to an independent course of cool indifference to the position of the United States, frequently abstaining on vital questions, and standing out in the Latin American group as one of the few nations on which no reliance can be placed by the United States Delegation. In certain specific problems, such as the Law of the Sea, it may be recalled that Mexico worked arduously against the United States at the 1958 and 1960 Geneva Conferences, killing by a one-vote margin the U.S. endeavor to obtain a genuine compromise solution of the thorny question of the breadth of the territorial sea.

(5) Soviet-Communist Expansion: Mexico has given no visible cognizance to the problem of Soviet activities in the Western Hemisphere. The Soviet Embassy still operates with its bloated staff of 58 working members, in contrast to the total of five Mexicans in the Embassy in Moscow. Mexico as a base for Soviet operations in the area is as secure as ever, and provided the Soviets with a great advantage in renewing relations with Cuba in 1960. Mikoyan was able to take full advantage of his Mexican visit; the Soviet industrial exposition was given a good reception at the end of 1959.

Communist propaganda is imported or printed in Mexico, literally by the ton, without let or hindrance of the Mexican authorities, then widely distributed within the country to the most susceptible elements of the population, and shipped out to Caribbean and Central American countries. Domestically, the Communist parties suffer no restrictions, while intellectual Marxism continues to flourish in the universities, pedagogical institutions, the Ministry of Education, and in many organs of economic policy and of public opinion.

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- 5 -

The Presidential policy of flirting with Communists is continued in the close contact maintained with Vicente Lombardo Toledano (whose diplomatic passport was recently renewed) and in opening Mexico's doors to a Latin American conference sponsored by the Communist-front World Peace Council, scheduled for March, 1961. The influence of General Lazaro Cardenas remains strong, and apparently uncombated, within Government circles and such basic organizations as the farm workers.

It is, of course, true that several Communist labor leaders, such as Demetrio Vallejo, are in jail, as is also the prominent Communist party leader, the painter David Alfaro Siqueiros. In these cases, however, the reason for imprisonment has nothing to do with Communist ideology. Labor leaders who happened to be Communists forcibly challenged the authority of the Government, in connection with the strike on the national railways system in 1959, and are suffering the penalty provided in the Mexican law for this violation.

(6) Some Miscellaneous Bilateral Stalemates: There is no willingness by Mexico even to discuss the long-standing claim to El Chamizal, on the border adjacent to El Paso. Cooperation in atomic development is still declined by Mexico, which prefers international organization assistance to direct U.S. aid. Many small United States agrarian claims, assiduously documented and presented, lie dormant in the archives of the Ministry of Foreign Relations. The dispute over Mexico's assertion of a 9-mile limit in the Gulf of Mexico remains as it has been for almost 20 years, and the related though not dependent problem of a shrimp fisheries conservation agreement gains no Mexican interest at this time. Our requests for action under the Extradition Treaty meet little response; Mexicans accused of crimes committed in the United States remain totally immune to punishment, even in their own country; American criminals in Mexico can generally count on Mexican cooperation to avoid extradition. An effective anti-narcotics program never gets beyond the discussion stage, leaving Mexico as one of the chief sources of dangerous drugs entering the U.S., to the peril of neighboring areas in Texas and California.

(7) Some Miscellaneous Bilateral Successes: The complex and delicate Bracero Agreement continues to be renewed at regular intervals, and the program of Mexican migratory farm labor in the United States continues to be carried out on an orderly and fairly satisfactory basis. Good treatment of American visitors and residents in Mexico by the police and immigration authorities helps greatly the protection functions of our Consulates. The bilateral aviation agreement is a practical benefit to both countries. Collaboration with American scientists and governmental agencies is at a new high in Mexico's participation in Project Mercury. In the routine handling of inter-governmental business, the attitude of Mexican officials in dealing with United States Government representatives is uniformly courteous and frequently effective; but manners apart, the list of substantial accomplishments is not long.

(8) Mexican. . .

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(8) Mexican Reaction to the United States: It appears to be a considered and established Mexican position that Mexico has most to gain from her powerful northern neighbor, by a policy of opposition or non-cooperation. Modifications of this policy, when analyzed, will be found invariably to be dictated by Mexico's own interest, e.g., in the Bracero and Aviation Agreements, Project Mercury, and good treatment for the dollar-laden tourist. By remaining cool to the United States responsibilities in the prolonged crisis of the Cold War, Mexico feels pride in its sovereign independence. Aware that the United States itself believes "we cannot afford bad relations with our southern neighbor," Mexico has the confidence born of experience that, by simply playing the role of the coy or at least indifferent Señorita, she can bring the Yankee suitor rushing to her door.

THE PROBLEM OF TACTICS

Having used every device of ardent wooing which might be imagined in the past fifteen years, the United States should now strike a cool balance of the results and reconsider its tactics. Certainly the goal of Mexico's cooperation is worth the extreme endeavors made to win it during this critical period, but when such approaches do not produce the desired results, they should be most carefully re-adapted.

At the present time, Mexico is watching every move of the new U.S. Administration, not in a worried sense but in the expectancy that Uncle Sam will soon show how much he is thinking about her. The United States, by deliberately delaying any move in Mexico's direction, has a unique opportunity to cause Mexico to ponder, and to raise before Mexico's own eyes the variety of reasons the United States may have to weigh its Mexican relations. On the other hand, a quick and unmerited gesture of solicitude for Mexico will serve only to convince her that nothing is changed, all is the same as before, and Uncle Sam's favors will continue to be had without cost.

In specific terms, a re-examination of our tactics would mean to pass over Mexico as of no immediate concern in our Latin American relations at this time. Indirectly, "with the left hand," it should be made known that this attitude is derived from Mexico's record in the past few years. Simultaneously, a demonstration of genuine interest in the problems of certain other Latin American governments, which have given effective support on the major problems which confront us (e.g. Argentina, Colombia, Peru, or some one of the smaller countries such as Costa Rica) would be realistically understood by Mexico as a sign of United States strength and purposefulness in this Hemisphere. It might even prompt Mexico to consider a more positive response to her northern neighbor. It is well worth trying.

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